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DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: April 17, 2008

#### No End Of Price Surge

¶1. There is no end to the price surge that shocks Austrian consumers: According to the latest statistics, the costs of living went up by 3.5 percent in March - more than in January or February. This price increase was especially noticeable in the costs for food products, gasoline, housing, and energy. For the time being, an end to the price spiral is nowhere in sight - WIFO expert Markus Marterbauer estimates that inflation will decrease only slightly in the second half of the year, but will remain at an overall rate of 3 percent for 2008. This way, consumer purchasing power will stagnate since the latest salary raises are outweighed by the fast-increasing prices. [Neue Kronenzeitung, p. 5; other Austrian media]

#### "Democrats Eager For The White House"

¶2. In a PAS-facilitated interview with independent daily "Salzburger Nachrichten," Charg d'Affaires of the US Embassy in Vienna Scott F. Kilner gave his assessment of the upcoming US elections and of transatlantic relations after the irritations following the Iraq war. Kilner sees strong indications that the US could be ready for either a woman president or an African-American president in November and believes that the Democrats are "so eager for victory" that they will be "ready to close the ranks" and rally behind one candidate once the primary contest is over. However, he cautions against the idea that a Democratic victory will lead to a quick withdrawal from Iraq. "Even if Clinton or Obama win, they will inherit a certain situation. Whoever moves into the White House will have to deal with the current situation." On the issue of transatlantic relations, the Charg refers to a rapprochement that has taken place during the second term of the Bush presidency. In the interview with "Salzburger Nachrichten," the Charg d' Affaires of the US Embassy Scott Kilner expressly makes a case for the US being ready to elect either a woman or an African American to the White House. "I have long believed that we are ready for a female President. After all, there are plenty of model cases internationally for strong female leadership personalities." While he concedes that in the case of an African-American the "psychological obstacles are higher" and that he would not have believed it possible a year ago, he points out that "now, there is an overwhelming readiness in the US": "As a US citizens, I find it very encouraging that we have come this far. Obama gets support from all segments of the population: White men, women, young and old people." Asked about speculations that the presumptive Republican candidate John McCain will pick Secretary of State Condoleezza Rice as his running mate, thus also playing the female and African-American card, Scott Kilner dismisses this as unlikely to happen: "McCain is more likely to choose someone who has political

qualities that complement his own. Condoleezza Rice may just go back to academic life." According to Kilner, the frequently observed crossing of lines between politics, economy or academia "brings expert knowledge and fresh air into the system." "Professional politicians, who become involved with party organizations after graduation, are in danger of forming a political caste which acts in a way that is aloof from the rest of society." With regard to the current situation in Iraq, the Charg admits that "the operation "surge" has not been such a great success. However, it has brought us into a somewhat better position in Iraq. There has been progress." On a general scale, his assessment of the war is that "it cost a lot of blood and money" and will "narrow the maneuvering room of a Democratic President as well." Progress was also made in the damaged transatlantic relations, says Kilner, and refers in this context to President Bush's second term with Condoleezza Rice being Secretary of State. However, as regards the reputation of the US in

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Europe, the US diplomat's assessment is sober and resigned: "There has been no improvement."

#### Largely Skeptical About Middle East

13. On Wednesday, the crisis in the Middle East was the center of Austrian diplomacy when Foreign Minister Ursula Plassnik received the Secretary General of the Arab League, Amr Moussa as well as the initiator of the Geneva Middle East peace talks and former Deputy Foreign Minister Yossi Beilin. Moussa was especially skeptical with regard to a peace solution, saying that the peace process was stagnating, mainly due to the Israeli settlement policy, and that it was doubtful whether it can be saved. In contrast, Beilin stressed the necessity to conduct a dialogue with all Palestinians, including Hamas. [Wiener Zeitung, p. 7]

#### Pope Visits God's Own Country

14. ... headlines centrist daily "Die Presse" in reference to Pope Benedict's visit to the US, where he was given a grand reception by US President Bush on Wednesday. Bush presented the Pontiff with a huge birthday cake upon his 81st birthday and had invited more guests than ever before. Benedict announced at the outset of his US visit that he was about to meet a "great people and a great church." Benedict is only the second Pope to be received in the White House and the first since 1979. However, there are also sensitive and controversial issues to be discussed between the Pope and the President, most notably Iraq. All Austrian media give extensive coverage to Pope Benedict's visit to America and his reception by US President George W. Bush - and not just to the splendid reception which the Head of the Catholic Church received in a country where the majority of the population is Protestant, but also to the political and religious issues surrounding the visit. Centrist daily "Die Presse" sees the fact that Bush personally met the Pope at Andrews Air Force Base as reflecting the importance which the US President attributes to the visit, noting that this was an unprecedented occurrence in the Bush presidency so far. The Pope himself has already addressed one of the most critical issues he is expected to be confronted with during his six-day visit: The scandalous incidents of sexual abuse involving high-ranking Catholic priests in the US. According to independent daily "Der Standard," Benedict XVI already before his arrival expressed his "heartfelt shame" over the cases of sexual abuse of young people, which caused "great suffering" for the victims and the church. "We will do all we can to prevent this from happening in the future." This was an issue that threatened to overshadow his US visit. Austrian media are agreed that in the talks between Benedict XVI and President Bush, Iraq is likely to be a controversial issue. Prior to Bush's meeting with the Pope at the White House, however, the President's spokeswoman Dana Perino already stated that it was clear that the White House and the Vatican held different positions on the issue and that Bush did not intend to convince the Pope of his point of view, reports "Der Standard." The Pope himself has so far addressed the controversial issue only indirectly, writes semi-official daily "Wiener Zeitung." In connection with the papal visit, Austrian dailies also analyze the general differences between the US and Europe in terms of the religious belief of the population and reflect on the situation of the Catholic Church in the US. Centrist daily "Die Presse" refers to the omnipresence of God in everyday life in the US, which is partly due to the strict

separation between state and church. Austrian-born Peter Berger, head of the "Institute on Culture, Religion and World Affairs" in Boston refers in this context to the fact that US churches could not rely on state support and therefore had to compete with each other to win the support of the people. "And competition creates strong structures." Analyzing the situation of the Catholic Church in the US, independent daily "Der Standard" identifies the Hispanics as its main stronghold. Generally, the scandals involving pedophile priests and the subsequent attempts to cover them up were detrimental to the church's reputation and led to a massive exodus of members. This could only be compensated by the large number of Hispanic immigrants that joined the US Catholic Church, writes "Der Standard."

Bush Wants To Stop CO2 Increase Until 2025

15. In a keynote speech in Washington on Wednesday, US President George W. Bush announced his intention to stop the increase of CO2 in the US until 2025. At the same time, he warned of establishing a legally binding upper limit for CO2 emissions and insisted that new technologies were the only way to protect the environment and promote economic growth. The climate targets had to be ambitious and realistic at the same time so as to avoid a negative impact on the economy and the job market in the US, the President said. [ORF online; Kurier, p. 6]  
Kilner